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C O N F I D E N T I A L JERUSALEM 001279

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NEA FOR FRONT OFFICE; NEA/IPA FOR  
WILLIAMS/SHAMPAINE/STEINGER; PRM FOR PDAS GREENE AND  
PRM/ANE; NSC FOR ABRAMS/WATERS; BRUSSELS FOR LERNER; PLEASE  
PASS TO USAID FOR KUNDER/MCCLOUD/BORODIN

E.O. 12958: DECL: 06/20/17  
TAGS: [ECON](#) [EFIN](#) [KPAL](#) [KWBG](#) [PGOV](#) [PREL](#)  
SUBJECT: CONSUL GENERAL MEETS NEW PA MINISTERS; NEW  
AGRICULTURE MINISTER ANNOUNCED

REF: JERUSALEM 1254

Classified By: Consul General Jake Walles, Reasons 1.4 (b) and (d)

¶1. (C) Summary: Consul General and USAID West Bank/Gaza Mission Director met June 19 with two newly-appointed Palestinian Authority (PA) Cabinet members, explaining to them that the USG is resuming broad-based assistance and suggesting that discussions and planning on best use of this assistance should begin immediately. Minister of Local Government and Agriculture Ziad al-Bandak said he is particularly interested in USAID programs benefiting the agricultural sector. Minister of National Economy, Public Works and Telecommunications Muhammad Kamal Hassunah asked for USG help in securing greater access for Palestinian goods into Israel and Gaza, removing barriers to movement in the West Bank, and restarting the Palestinian-American Bilateral Committee. Bandak and Hassunah agreed that security currently is the most important priority. On June 19, Mahmoud al-Habbash was sworn in as Minister of Agriculture after he was able to depart Gaza. End Summary.

¶2. (C) PA Minister of Local Government and Agriculture Ziad al-Bandak told Consul General and USAID Mission Director June 19 that he felt it was his duty as a Palestinian to take "the brave decision" and join PM Fayyad in his government. He described Hamas members in the West Bank as "mice hiding in the ground" waiting for the right time to take action. Bandak confirmed that efforts had been undertaken by some to purge municipal councils in the West Bank of Hamas members, but he stressed that PA will honor the results of democratic elections and "respect the mayors and municipal councils, even if Hamas."

¶3. (C) During a brief discussion of past, current and possible future USAID assistance, Bandak said that projects benefiting the agriculture sector should receive priority. He suggested that "triangle" meetings be held involving USAID, Ministry of Agriculture and Ministry of Local Government personnel and focus on how best to proceed with programs and projects. (Note: The PA announced the appointment of a new minister of Agriculture late June 19. See para. 6 below. End note.)

¶4. (C) In a separate meeting June 19, Minister of National Economy, Public Works and Telecommunications Muhammad Kamal Hassunah told Consul General and USAID Mission Director that the new government must prove its worth to the Palestinian people, and it is imperative that the PA and the donor community move quickly. Hassunah said he would provide

detailed information on what is needed soon, and urged USG support in freeing clearance revenues held by the GOI.

¶5. (C) A ministry advisor present at the meeting suggested, with Hassunah's consent, the following priorities: providing greater access for Palestinian goods into Israel and Gaza, removing barriers to movement in the West Bank, and restarting the Palestinian-American Bilateral Committee. (Note: This committee was established in the 1990s and ceased to function at the onset of the second intifada. End note.) USAID Mission Director described recent work on access and movement concerns. Hassunah expressed interest, adding that IDF forces had recently fortified a barrier that has prevented his lubricant factory in Hebron access to the nearest highway. Hassunah and his advisor noted the experience of industrial zones situated at crossings has been disappointing, and said that local industrial estates internal to the West Bank may be a better option.

¶6. (SBU) The PA announced late June 19 that Mahmoud al-Habbash had been sworn in as Minister of Agriculture. Al-Habbash, born in 1963, has a Master's Degree in Islamic Studies and recently served as an instructor at Al-Quds Open University in Gaza.

WALLES